

“Nobunaga’s Ambition” 30th Anniversary Game

信長の野望 創造

30

A newly evolved version of “Nobunaga’s Ambition” comes to G-cluster!

The “Nobunaga’s Ambition” series are popular historical simulators created by KOEI TECMO GAMES CO., LTD. “Nobunaga’s Ambition: Souzou (Japanese version)” the newest game in the series which commemorates its 30th anniversary will be available on the G-cluster cloud gaming service starting from June 12, 2014 (planned).

Led by the concept of “Creating a New Era,” players can realize, with their own hands, the unification of Japan and the creation of a new world that Oda Nobunaga was unable to accomplish. Great advancements in the “Nobunaga’s Ambition” series, such as beautiful, realistic renewed maps, massive armies engaging in dynamic battles, dramatically depicted events and more can be enjoyed via G-cluster.

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Possibilities are infinite. Cloud gaming console for a new era.

ジークラスタ



G-cluster

For details >>> <http://gcluster.jp/>



2014

Business Report

For the FY2013
(April 1, 2013 to March 31, 2014)



Broadmedia

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Introduction to the Corporate Site

Updated regularly with the latest news, as well as press releases and investor relations information.

Links to individual and corporate services, as well as group company sites, will help you find the information you need quickly. Please make use of our website as your resource.

<http://www.broadmedia.co.jp/>

Broadmedia



Broadmedia Corporation

Aoyama Tower Place 6F, 8-4-14 Akasaka, Minato-ku, Tokyo 107-0052, Japan



Broadmedia Corporation

Securities Code: 4347

The entire company will work as one to achieve success in the cloud gaming business.

President & Representative Director
Taro Hashimoto



Please discuss the current business environment and the business challenges faced over the course of the fiscal year 2013.

The newly-launched cloud gaming business got off to a slow start during the fiscal year ended March 31, 2014, weighing down on Group-wide revenue. Network sales also struggled, performance for distributed films was sluggish, and sales of videos were postponed, resulting in

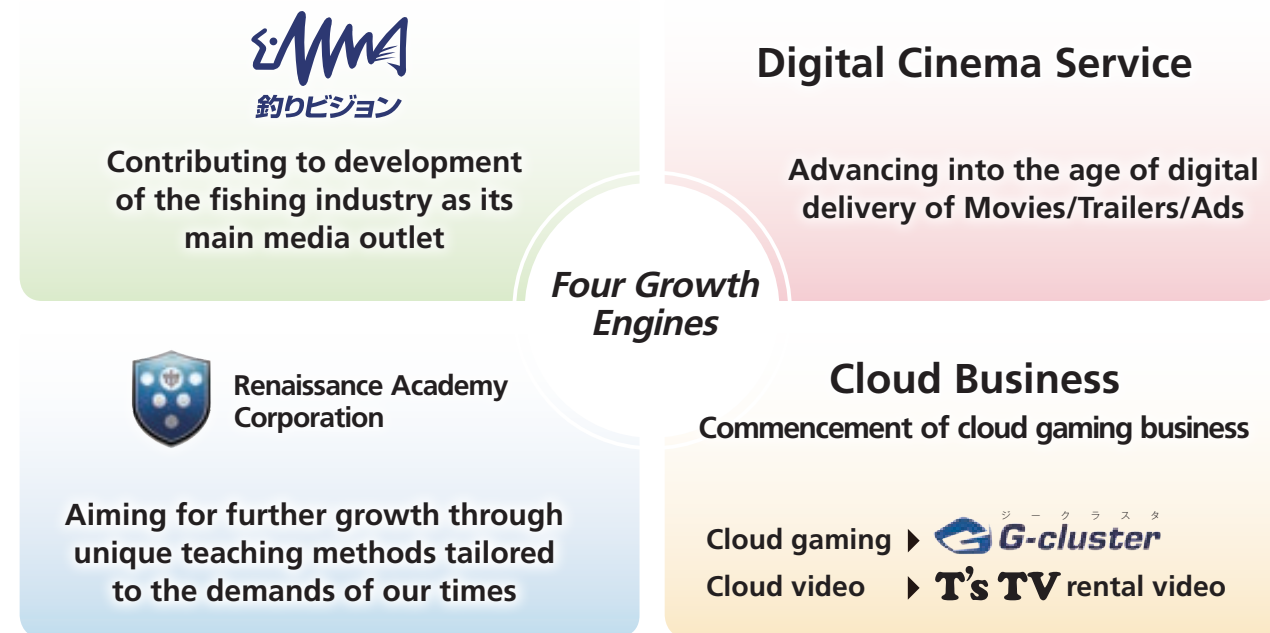
greater-than-expected losses. As we responded to these unexpected circumstances at the beginning of the year, this year became one of restoring existing businesses while simultaneously launching new ones. As a result, although business results were severe, we managed to create a structure to prepare for future business development by carrying out internal reorganization over the course of the year.

Please tell us about the future development of the gaming business.

So far, in order to expand the cloud gaming business, we have progressed with the business focusing on several axes. One of these has been providing platforms to other companies. Others have been providing a rich lineup of appealing content and increasing the number of G-cluster ready devices.

With regard to providing platforms to other companies, we are currently providing platform technologies and gaming content for NTT Plala's "HIKARI-TV GAME." We will continue to strengthen this collaboration and focus our efforts on the development of this service.

With regard to content, we are gradually enhancing our lineup mainly through releases of popular new titles from major game developers as well as original games.



With regard to devices, initially, the only device was our own “G-cluster” cloud gaming console, so our efforts were focused on expanding “G-cluster” sales. However, since the second half of the previous year, when Sharp and LG Electronics began to make their TVs G-cluster ready, we have been carrying out campaigns such as giving away game controllers to TV buyers. The key to this business is how much the games are eventually played, regardless of what device they are played on.

We have worked steadily over the course of the year in all three of these themes, but we believe that further additional initiatives must be taken to develop the cloud gaming business as envisioned.

Q Please tell us in detail about the additional initiatives.

The first is our collaboration with partners who can enable us to achieve even greater business

(Unit: millions of yen)

	Revenue			Operating profit		
	Fiscal 2013 results	Fiscal 2014 full-year forecast	Difference	Fiscal 2013 results	Fiscal 2014 full-year forecast	Difference
Content	2,554	3,150	↗ 596	(435)	(445)	↘ (10)
Broadcast	4,394	4,150	↘ (244)	164	165	→ 1
Studio	2,561	3,000	↗ 439	(177)	65	↗ 242
Technology	1,618	1,450	↘ (168)	75	(25)	↘ (100)
Network Sales	1,172	1,250	↗ 78	(246)	(160)	↗ 86
Total	12,301	13,000	↗ 699	(618)	(400)	↗ 218

development. There have been some areas in which we have lacked the power, expertise or name recognition to achieve rapid growth in the cloud gaming business on our own. By working with new partners with strengths in those areas, with whom we can expect to produce mutual synergy, we believe that we can accelerate the penetration of G-cluster equipped devices, thus speeding up our business expansion.

The second, and this has been briefly touched on in the past, is our offering of original games. The popular new titles we are currently offering are wonderful content, but we believe that original games are essential to driving the platform. Progress is already underway in preparation for the development of original games which are only possible using cloud technology and difficult to achieve with other platforms, such as games linked with smartphones.

Not only will we expand our cloud gaming business inside Japan with these original games, but we also plan to offer them overseas. We will be working to be able to show some of these games at the Tokyo Game Show in September at the earliest.

Q What is your message to the shareholders?

As I discussed earlier, financial results for the current fiscal year have been severe. Costs for investment in the cloud gaming business are expected to be posted in the next fiscal year as well. We will be working to accelerate the speed of business expansion through our additional initiatives, but it is difficult to make reasonable forecasts of the effects that these initiatives will have on business results. Currently, we expect to post an operating loss for the full year.

Also, we deeply regret to inform shareholders that a dividend will not be paid out for the current fiscal year as we need to continue focusing our business resources on cloud gaming.

The entire company will work as one to produce success in the cloud gaming business and meet the expectations of all of our shareholders. I sincerely ask our shareholders for their ongoing support in the future.

A new era of cloud gaming

The constantly growing world of **G-cluster!**

1 Provision of platforms to other companies

We provide G-cluster platform technologies and game content for NTT Plala's "HIKARI-TV GAME."



2 Rich lineup of appealing game content

We offer approximately 80 games in a variety of genres, from high-end games such as popular new titles to family games and classics.

Available from Jan. 16
"Alphadia Genesis"
 (KEMCO)



©2013 KEMCO/EXE-CREATE

Available from Mar. 28
"PROFESSIONAL BASEBALL SPIRITS LIVING MANAGER"
 (KONAMI)



©Konami Digital Entertainment ©NPB2014 franchise stadiums official recognition As a rule, the signboard in the stadium reproduced in the game is produced based on data during the professional baseball pennant season in 2013.

Available from Jun. 12 (Planned)
"Nobunaga's Ambition: Souzou (Japanese version)"
 (KOEI TECMO GAMES CO., LTD.)



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3 Expansion of G-cluster ready devices

Sharp's "AQUOS" TV and LG's "LG Smart TV" are G-cluster ready.

This makes it possible to use the cloud gaming services with a TV alone.



"AQUOS" TV by Sharp



"LG Smart TV" by LG

* Separate line and ISP contract and service fees will be necessary when using G-cluster services.

G-cluster promotional campaign is being conducted

We are carrying out a campaign in which those who buy G-cluster ready "AQUOS XL10 series" TVs receive a free game controller, "Logicool F710 Wireless Gamepad."



What is G-cluster?

How cloud gaming works

All programs are executed in the cloud. The user plays the game in the cloud with a game controller at hand. Video and sound are streamed via broadband line to a G-cluster ready TV or a "G-cluster" cloud gaming console.



No need for disks or other media

Not only is there not a need to switch disks, there is no need to download or install games either. You can easily enjoy the various games found in the cloud.

"Saved Game" data is stored in the cloud

There is no need to carry around physical media. Even when you're out, you can continue playing the game with the data saved in the cloud.

"G-cluster" also offers movies and dramas

Reasonably priced video-on-demand for the latest entertainment content

T's TV Rental Video



With "G-cluster," users can access "T's TV Rental Video" and enjoy watching approximately 10,000 movies and dramas from their homes with no additional registration required.

* Separate rental fees apply for the content. (Standard movies/dramas begin at 108 yen (tax included) per content; new releases begin at 432 yen (tax included) per content)



Select T's TV Rental Video from "G-cluster"!



Look for the video you want to watch in the rental shop!

Content

“Renaissance Osaka High School” opened On-campus courses also launched

“Renaissance Osaka High School” opened on April 1, 2014. It is a wide-area online general course high school that students can enter from any place in Japan. It also offers various on-campus courses, taking advantage of its urban location.



<http://www.r-ac.jp/osaka/>

3rd Certification Test of “Science Test” carried out Official textbooks and exercise books also available

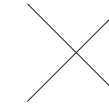


This certification test, which can be taken on the Internet by anyone, anywhere; conveys the joy of science. It was offered in May for the third time, and is scheduled to be offered for the fourth time in July, the fifth time in November, and the sixth time in February 2015. Takarajimasha has published an official textbook, and Kodansha has published an official exercise book.

あなたの科学アタマが光ります
科学検定
<http://www.kagaku-kentei.jp/>



“Content procurement capabilities”



“Technology for stable, high quality distribution of content”

Our strength lies in originality that combines both content procurement and distribution technology

Through tight-knit collaboration and mutual cooperation among the five business segments below, we put our corporate philosophy of “aiming to contribute to the development of a more affluent community through the dissemination of high quality products and services that are derived from creativity” into practice.



Studio

Films in distribution for the current fiscal year

“Police Story 2013”

Jackie's back to wrap up his life as a police officer! This masterpiece is the latest in the mega-popular Police Story series. An unprecedented mass kidnapping has taken place. How will Jackie handle the worst case in all his life, tied to his own past, and dragging in his own beloved daughter?!



Director : Ding Sheng
Cast : Jackie Chan, Liu Ye, Jing Tian
Release : June 6, TOHO CINEMAS Miyukiza and other locations

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Distribution line-up <http://bmstd.com/movie>

“Welcome to the Paris Opera Live Viewing 2013 ~ 2014 Season”



Enjoy watching live streams of numerous classical performances at the sanctuary of opera, the Paris Opera, presented in a movie theater setting. This is a new form of entertainment, neither simply a movie nor a play viewing, with astounding sound and image quality.

- No. 1 Opera Aida
 - No. 2 Ballet LA BELLE AU BOIS DORMANT
 - No. 3 Opera I PURITANI
 - No. 4 Opera LA FANCIULLA DEL WESTA
 - No. 5 Ballet Le Lac Des Cygnes
 - No. 6 Opera Le nozze di Figaro
 - No. 7 Ballet BALANCHINE / MILLEPIED
 - No. 8 Opera LA TRAVIATA
- TOHO CINEMAS Nihonbashi, Bunkamura Le Cinéma and other locations

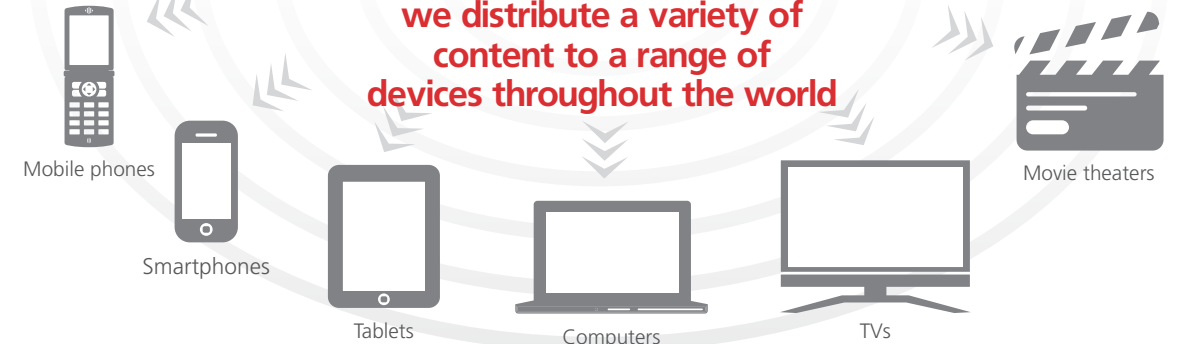
* Please refer to the official website for theaters other than displayed above. Also, please note that the schedule, etc., may change without notice.

©Jean-Pierre Delagarde, ©Christian Leiber/Opera national de Paris, ©Icare. ©Antoni Bofill

<http://www.opera-yokoso.com>

Services for Individuals / Services for Businesses

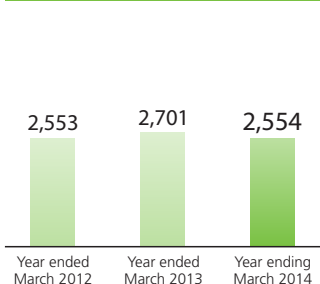
In combination with our original technology, we distribute a variety of content to a range of devices throughout the world



Content

Revenue
2,554 million yen
(down 5.4% YOY)

Revenue Trend (Unit: millions of yen)



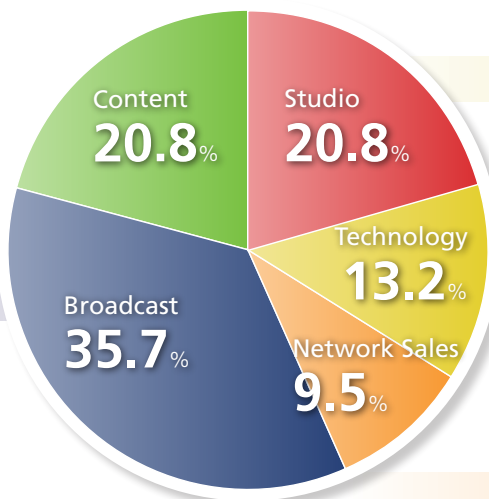
Operating loss
(435) million yen
(Operating profit for the previous fiscal year was 244 million yen)

Business and Service

Home entertainment / Video service / CS broadcast member service / Mobile service / Education service / Others

As for new businesses, the cloud gaming business was launched in the home entertainment field and the "Science Certification Test" was commenced in the education services. In both businesses, certain amounts of revenue were recorded, while preparation costs, promotion expenses and other costs increased.

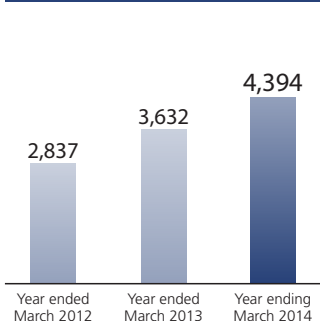
Total Revenue
12,301 million yen



Broadcast

Revenue
4,394 million yen
(up 21.0% YOY)

Revenue Trend (Unit: millions of yen)



Operating profit
164 million yen
(Operating loss for the previous fiscal year was 49 million yen)

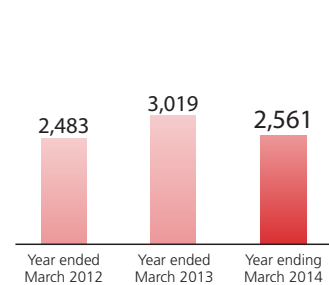
Business and Service

Fishing channel

The number of viewers of "BS Fishing Vision (BS 251ch)" has grown steadily, and sales in the production business have been increasing as well.

Revenue
2,561 million yen
(down 15.2% YOY)

Revenue Trend (Unit: millions of yen)



Operating loss
(177) million yen
(Operating profit for the previous fiscal year was 176 million yen)

Business and Service

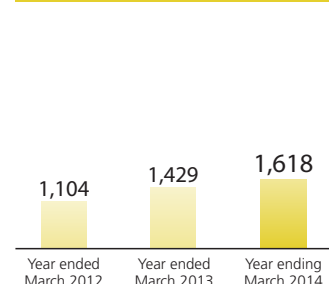
Production business / Program sales business / Film distribution business

Box office performance for distributed films stagnated and the posting period for revenue from DVD sales was postponed from the current fiscal year to the next fiscal year due to change in the sales method. In addition, a rise in the cost ratio in the production business and a decrease in program sales to TV stations led to an operating loss.

Technology

Revenue
1,618 million yen
(up 13.2% YOY)

Revenue Trend (Unit: millions of yen)



Operating profit
75 million yen
(up 70.8% YOY)

Business and Service

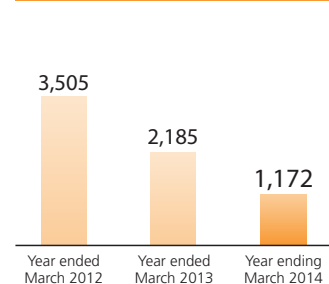
CDN service / Digital cinema service

The digital cinema service received a large-scale order for equipment, in addition to an increase in the number of movie theaters and film distribution companies using our service.

Network Sales

Revenue
1,172 million yen
(down 46.4% YOY)

Revenue Trend (Unit: millions of yen)



Operating loss
(246) million yen
(Operating loss for the previous fiscal year was 248 million yen)

Business and Service

ISP service sales / Handling of mobile phone service / Broadband line sales

Although revenue decreased due to a decline in ISP service sales and an increase in the cancellation reserve rate, operating loss was recorded at the same level as the previous fiscal year owing to factors such as improvements in the cost ratio.

11 Consolidated Financial Statements (Summary)

1 Total assets

Although program rights and merchandise and finished goods (mainly gaming consoles) increased, notes and accounts receivable-trade and investment securities decreased.

2 Total liabilities

Accounts payable-trade and long-term lease obligations declined.

3 Total net assets

In addition to posting a net loss, dividends from surplus were paid. The equity ratio stood at 49.4%.

Consolidated Balance Sheets

(Unit: millions of yen)

	End of current fiscal year As of March 31, 2014	End of previous fiscal year As of March 31, 2013
[Assets]		
Current assets	6,968	7,394
Fixed assets	4,130	5,135
1 Total assets	11,099	12,529
[Liabilities]		
Current liabilities	3,347	3,843
Fixed liabilities	1,633	1,755
2 Total liabilities	4,981	5,599
[Net Assets]		
Shareholders' equity	5,402	6,278
Accumulated other comprehensive income	78	67
Minority interests	636	584
3 Total net assets	6,117	6,930
Total liabilities and net assets	11,099	12,529

Please visit our "IR" site, for detailed financial information.

<http://www.broadmedia.co.jp/ir/>

Consolidated Income Statements

(Unit: millions of yen)

	Current fiscal year April 1, 2013 – March 31, 2014	Previous fiscal year April 1, 2012 – March 31, 2013
4 Revenue	12,301	12,968
Cost of goods sold	8,356	8,781
Gross profit on revenue	3,945	4,187
Selling, general and administrative expenses	4,564	4,020
5 Operating profit (loss)	(618)	166
5 Recurring loss	(1,134)	(215)
6 Net loss	(777)	(424)

Consolidated Cash Flow Statements

(Unit: millions of yen)

	Current fiscal year April 1, 2013 – March 31, 2014	Previous fiscal year April 1, 2012 – March 31, 2013
7 Cash flows from operating activities	(1,355)	1,002
8 Cash flows from investing activities	1,336	(1,976)
9 Cash flows from financing activities	(234)	469
Cash and cash equivalents at end of the period	2,747	2,960

4 Revenue

Although earnings in "Broadcast" and "Technology" increased, earnings dropped in "Studio" and "Network Sales."

5 Operating profit (loss), Recurring loss

Although an operating profit was posted in "Broadcast" and profit increased in "Technology," operating loss was posted in "Content" and "Studio." Recurring loss was mainly due to an increase in equity in losses of affiliates.

6 Net loss

Despite an increase in income taxes due to factors such as reversal of deferred tax assets, extraordinary income including gain on sales of investment securities and gain on change in equity was posted.

7 Cash flows from operating activities

In addition to posting a net loss before income taxes, inventories such as gaming consoles increased.

8 Cash flows from investing activities

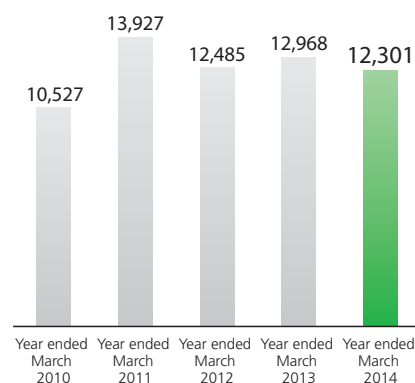
There were proceeds from sales of investment securities and collection of loans receivable.

9 Cash flows from financing activities

While there was income from sale and lease back, repayment of lease obligations and dividend payments were made.

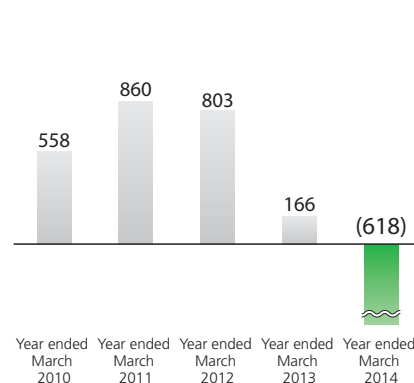
Revenue

(Unit: millions of yen)



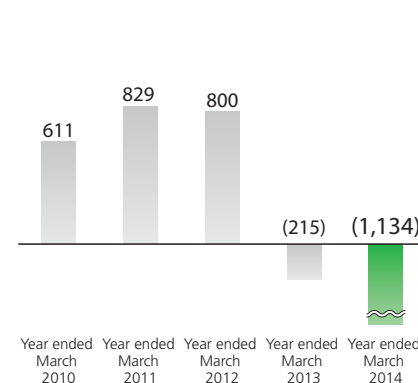
Operating Profit (Loss)

(Unit: millions of yen)



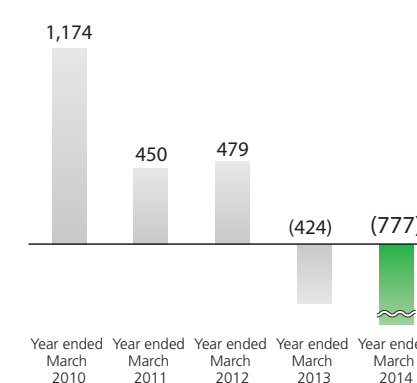
Recurring Profit (Loss)

(Unit: millions of yen)



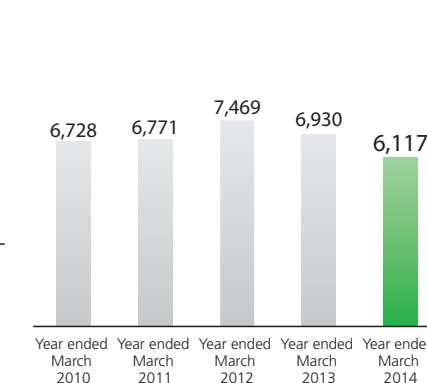
Net Profit (Loss)

(Unit: millions of yen)



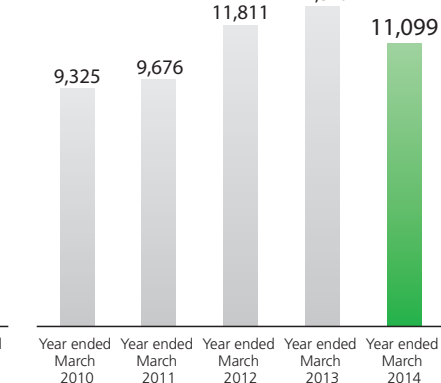
Net Assets

(Unit: millions of yen)



Total Assets

(Unit: millions of yen)



Company Information

(as of March 31, 2014)

Company Profile

Company Name	Broadmedia Corporation
Established	September 5, 1996
Paid-in Capital	2,666,633 (thousands of yen)
Employees	57 (consolidated 393)
URL	http://www.broadmedia.co.jp/

Group companies



Fishing Vision Co., Ltd.

<http://www.fishing-v.jp/>

Produces the program dedicated to fishing, "Fishing Vision," and distributes programs for BS/CS broadcasting, cable TV stations and others.

Established March 1998
Location Shinjuku-ku, Tokyo



Renaissance Academy Corporation

<http://www.r-ac.jp/>

Operates "Renaissance High School," "Renaissance Toyota High School" and "Renaissance Osaka High School," a new type of online high school system where students can learn via tablets, etc. Also participates in the operations of the "Science Certification Test" and the official Japanese site of "National Geographic" among other services.

Established October 2005
Location Chuo-ku, Tokyo



HOLLYWOOD CHANNEL INC.

<http://www.hollywood-ch.com/company/>

The Hollywood Channel distributes the latest entertainment news and information with a focus on movies and entertainment and is offering distribution services of foreign dramas for personal computers, mobile phones, and smartphones.

In addition, the company provides content promotion support and produces official websites for films.

Established April 2003
Location Chuo-ku, Tokyo

Executive Directors and Auditors

President & Representative Director	Taro Hashimoto	Auditor (full-time)	Takeshi Urasawa
Executive Director	Toshihito Kubo	Auditor	Kosei Tsuchihashi
Executive Director	Daishin Nakamura	Auditor	Fumito Shiraishi
Executive Director	Yasuhiko Uemura	Auditor	Kenji Kitatani
Executive Director	Ryuichiro Hisamatsu	*Nobuhiko Seki is an outside director.	
Executive Director	Yasutaka Shimamura	*Takeshi Urasawa, Fumito Shiraishi, and Kenji Kitatani are outside auditors.	
Director	Nobuhiko Seki		



Broadmedia Studios Corporation

<http://www.bmstd.com/>

Sales of TV broadcast rights of foreign films and TV series, production of Japanese-language versions of foreign films and TV series (subtitle, dubbing), rights acquisition, sales and promotion of DVD videos, theatrical distribution and film promotion, etc.

Established August 2000
Location Chuo-ku, Tokyo



CDN Solutions K.K.

<http://www.cdn-sol.co.jp/>

Pioneer of CDN services in Japan. Primary agent of Akamai services. CDN Solutions provides CDN and FEO services, offering acceleration, load reduction, global delivery and other commercial website solutions tailored to customers' environments.

Established April 2001
Location Minato-ku, Tokyo



Digital Cinema Club, Inc.

<http://www.dcinema.jp/>

Offers VPF services for film distributors and theaters promoting installation of digital equipment in movie theaters.

Established April 2010
Location Minato-ku, Tokyo



G-cluster Global Corporation

<http://www.gcluster.com/>

Provides operators of IPTV, etc. with distribution services for games, video, and other contents using G-cluster cloud distribution technologies.

Established October 2007
Location Minato-ku, Tokyo

Stock Information

Number of shares authorized	128,000,000 shares
Number of shares issued	66,723,516 shares
Number of shareholders	8,717

Major Shareholders

Shareholder name	Shares held (thousands)	Shareholding ratio (%)
SBBM Corporation	20,319	31.16
SBI Entertainment Fund No. 2	11,293	17.32
SBI Holdings, Inc.	6,837	10.48

*The total number of issued shares includes treasury stock (1,507,332 shares).

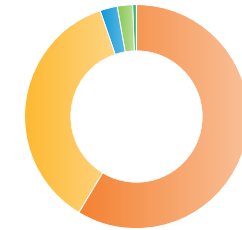
*"Individuals and others" in Distribution of Shareholders includes treasury stock.

*The shareholding ratio for major shareholders is calculated excluding treasury stock.

Stock Information

(as of March 31, 2014)

Distribution of Shareholders



	Number of shares held (thousands)	Shareholding ratio (%)
Other Japanese institutions	39,126	58.64
Individuals and others	24,105	36.13
Japanese securities companies	1,767	2.65
Japanese financial institutions	1,374	2.06
Overseas institutions	349	0.52

Shareholders' Memo

Fiscal year	April 1 to March 31 (every year)
Ordinary general meeting of shareholders	June every year
Record date for year-end dividend	March 31
Record date for interim dividend	September 30
Stock exchange listings	Tokyo Stock Exchange, JASDAQ Standard
Method for public notice	Electronic public notice (posted on the Company's website) http://www.broadmedia.co.jp/ When notifications are unable to be made due to unavoidable reasons, notifications will be posted in the Nikkei.
Transfer agent	Mizuho Trust & Banking Co., Ltd. 1-2-1 Yaesu, Chuo-ku, Tokyo

	If you have an account at a securities company	In the case of a special account
Mailing Address	Securities company which you have dealings with.	2-8-4 Izumi, Suginami-ku, Tokyo 168-8507
Inquiry by Telephone		0120-288-324 (Toll-free in Japan)
Agency		Head office and all branches nationwide of Mizuho Trust & Banking Co., Ltd. Head office and all branches nationwide of Mizuho Securities Co., Ltd.
Notice	For payment of dividends unclaimed (*) and issuance of payment statement, please use the mailing address, the contact for inquiry by telephone, and the agent in "In the case of a special account" on the right.	Stocks cannot be traded excluding demands for purchase of stocks less than one unit.

*Solely payments of dividends unclaimed are handled at the head office and all branches nationwide of Mizuho Bank, Ltd.